GOVERNMENT OF INDIA
TOURISM
LOK SABHA

UNSTARRED QUESTION NO:1590
ANSWERED ON:13.12.2013
EMPLOYMENT GENERATION BY TOURISM INDUSTRY
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Will the Minister of TOURISM be pleased to state:

(a) the details of employment generated by the tourism industry during each of the last three years and the current year, State/UT-wise;

(b) whether the tourism industry has sought various relaxations including tax rebate and infrastructural development for its sustenance;

(c) if so, the details thereof along with the action taken by the Government thereon; and

(d) the steps taken/being taken by the Government to further boost tourism in the country?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE) (DR. K. CHIRANJEEVI)

(a): As per the 2nd Tourism Satellite Account (TSA) of India − 2009-10 and subsequent estimation, the contribution of tourism in total employment of the Country during 2009-10, 2010-11 and 2011-12 were 10.2%, 10.8% and 11.5%, respectively. State/Union Territory (UT)-wise break-up of the contribution of tourism in total employment of the Country is not available. This information is not available for 2012-13 and 2013-14.

(b) and (c): The Ministry of Tourism has advised the State Governments/UT Administrations to follow tourism friendly policies like allotting land sites on revenue sharing basis, granting extra Floor Space Index (FSI)/Floor Area Ratio (FAR) for Hotels, Creation of Land Banks, Single Window approach for promoting Hotel Projects, Rationalization of Taxes etc., for the growth of tourism sector in the country.

To encourage the growth of hotels, the following incentives, inter- alia, have been announced:

(i) Five Year Tax Holiday for 2, 3 & 4 star category new hotels located in all UNESCO declared 'World Heritage Sites;' (Except Mumbai and Delhi) which start operating between 01.04.2008 to 31.03.2013.

(ii) An investment linked deduction under Section 35 AD of the Income Tax Act extended for new hotels of 2-Star Category and above anywhere in India to facilitate the growth of tourist accommodation in the country.

(iii) In a notification dated October 7, 2013, the Ministry of Finance expanded its "Harmonized Master List of Infrastructure Sub-Sectors" to include such hotels and Convention centres for benefit of Hospitality Industry. Hotels with a project cost of Rs.200 crore and above each at any place in India and of any star rating, and Convention Centre with a project cost of more than Rs.300 crores has been included in the "Harmonised Master List of Infrastructure Sub-Sectors". This is equivalent to granting infrastructure status to the hospitality industry.

(iv) The Reserve Bank of India (RBI) has de-linked credit for hotel projects from Commercial Real Estate (CRE), thereby enabling Hotel Projects to avail credit at relaxed norms and reduced interest rates.

(v) External Commercial Borrowing (ECB) norms relaxed by the Ministry of Finance to solve the liquidity crunch being faced by the hotel industry for setting up new hotel projects.

(d): To boost tourism in the country, Ministry of Tourism, as part of its on- going activities, releases print, electronic, online and outdoor media campaigns in the international and domestic markets, under the Incredible India brand-line, to promote the various tourism destinations and products of the country. In addition, a series of promotional activities are undertaken in important and potential tourist generating markets overseas through Indiatourism Offices abroad with the objective of showcasing India's tourism potential. These promotional activities include offering joint advertising and brochure support and inviting media personalities, tour operators and opinion makers to visit the country under the Hospitality Programme of the Ministry; publication of brochures; organizing and supporting Indian food and cultural festivals; organising road shows, workshops and participation in travel fairs and exhibitions.

Other efforts made by Ministry of Tourism to boost tourist inflow include promoting Safe & Honorable tourism, improving the facilities for foreign and domestic tourists, creation/upgradation of tourism infrastructure, wayside amenities, providing last mile connectivity, increasing the availability of budget accommodation and trained manpower, etc.